



CITY of DESERT HOT SPRINGS

March 24, 1994

Ronald Heckart, Head Librarian
University of California, Berkeley
Institute of Governmental Studies Library
109 Moses Hall
Berkeley, CA 94720

Dear Mr. Heckart:

Thank you for your interest in the City of Desert Hot Springs General Plan and the Housing Element. These documents are enclosed for your records. We are in the process of contracting with a consultant to develop an update to our 1987 General Plan. This update will result in an Environmental Impact Report which will assess the environmental impacts of the General Plan Update and a revised Zoning Code to provide consistency with the revised General Plan. Once these documents are completed and adopted, I will forward a copy to you for the University's library.

Should you need additional information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Peggy Gentry', is written over a horizontal line.

Peggy Gentry
Director of Planning

THE SPA CITY

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CITY OF DESERT HOT SPRINGS GENERAL PLAN HOUSING ELEMENT UPDATE



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APRIL 6, 1993

CITY OF DESERTS
SERIES
GENERAL PLAN
HOUSING ELEMENT
UPDATE



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1.0 PURPOSE AND SCOPE

The California Government Code requires that every City and County prepare a housing element as a required element of its General Plan. This element is required to be updated a minimum of every five years.

The purpose of the Desert Hot Springs Housing Element is to provide government officials and the public with an extensive informational document which describes the City's housing needs, goals and objectives. It also discusses various affordable housing and rehabilitation programs available to developers and to the general public.

In order for this document to be successful, the goals, policies and programs must be adhered to by local decision makers, city staff, and anyone involved in activities which affect the use of land in Desert Hot Springs. State requirements for the content of Housing Elements are described below.

1.1 State Requirements

State law contains specific requirements for the preparation and content of housing elements. According to Article 10.6, Section 65580, the Legislature has found that:

- The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.
- The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- The provision of housing affordable to low and moderate income households requires the cooperation of all levels of government.
- Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- The legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

1.2. THE CHALLENGE

The California Government's 1970-1971 budget was the first in the state's history to be a balanced budget. It was the first time that the state's budget was balanced, and it was the first time that the state's budget was balanced for the entire year.

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1.3. THE BUDGET

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Section 65581 states that the intent of the Legislature in enacting these requirements is:

- To assure that local governments recognize their responsibilities in contributing to the attainment of the State housing goal.
- To assure that cities and counties prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the State housing goal.
- To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the State housing goal as well as regional housing needs.
- To ensure that each local government cooperates with other local governments to address regional housing needs.

Section 65583 outlines required content of all housing elements including identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. Specific requirements include the following:

- An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The analysis should include population and employment trends; documentation of household characteristics; inventory of land suitable for residential development; governmental and other constraints to new housing development; analysis of any special housing needs and an assessment of existing affordable housing developments.
- A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the objectives of the housing element in order to meet the housing needs of all economic segments of the community.

1.2 Project Location and Description

Desert Hot Springs is located north of Interstate 10, in the western portion of the Coachella Valley and is relatively isolated from other cities in the Valley, which are generally located south of Interstate 10. The cities located in closest proximity to Desert Hot Springs are Palm Springs to the south, and Cathedral City to the southeast.

The City is surrounded by unincorporated Riverside County land which consists of scattered houses, several subdivisions and mobile home parks, and undisturbed desert. Desert Hot Springs incorporated as a city in 1963, and until the 1970s was primarily a resort community for retired persons attracted by the warm climate, natural mineral springs, and affordable housing. However, the City has since attracted a broad range of age groups with the median age declining from 62.1 years in 1970 to 30 years of age in 1990.

Annexation 21

A separate discussion of the proposed Annexation 21 into the City of Desert Hot Springs will be provided in appropriate sections of this Housing Element. Annexation 21 was recently approved by the Riverside County Local Agency Formation Commission (LAFCO) and final approval will be determined by a public election to be held in June of 1993. The proposed annexation area is generally bounded by the existing City limits on the north, Little Morongo Road on the west, Interstate 10 on the south and by Palm Drive, 20th Avenue and Mountain View Road on the east. This annexation area would provide the City with adjacency to Interstate 10, an important factor in its future economic development. The annexation area comprises approximately 5,087 acres and contains 1,987 dwelling units.

2.0 PREVIOUS HOUSING ELEMENT EVALUATION

The following section presents a comparison of the policies contained in the previous Housing Element update which was adopted on October 15, 1987 with the actual results of these policies to date.

Policy 1: *Encourage the construction of new single-family attached and detached dwellings using zoning and other mechanisms.*

Although there have been no major changes with regard to residential zoning designations since approval of the previous housing element, a number of large housing projects have been approved, some of which include affordable housing programs. The largest of these projects is the Cornerstone Specific Plan which proposes over 2,200 dwelling units with a mix of duplexes, townhomes, single-family detached, and senior housing. Other projects in the City include Rancho del Oro consisting of 494 single-family detached units and the Rancho Morongo project consisting of 748 units including single-family detached, duplex and townhomes. The Rancho del Oro project has completed the first phase and is currently in the process of selling these units. Table 1 below shows residential building permit trends for the last eight years.

Table 1
Residential Building Permits
City of Desert Hot Springs, 1985-1992¹

| Year | Total Building Permits |
|------|------------------------|
| 1985 | 262 |
| 1986 | 770 |
| 1987 | 115 |
| 1988 | 221 |
| 1989 | 226 |
| 1990 | 269 |
| 1991 | 178 |
| 1992 | 230 |

Source: City of Desert Hot Springs, Planning Department.

¹ City of Desert Hot Springs Building Activity Report, prepared by the City Building Department.

Policy 2: *Preserve existing residential areas by using design measures to buffer these sensitive land uses from adjacent dissimilar uses.*

New commercial or other dissimilar uses located adjacent to residential areas has been conditioned by zoning code requirements or through site plan review to provide buffers by use of landscaping, setbacks, walls, or other appropriate design measures.

Policy 3: *There should be a variety of housing types and prices to accommodate a wide range of housing needs and tastes.*

As discussed above, there are several large projects with a variety of housing types that have either been approved or are presently being reviewed. Additionally, Desert Hot Springs remains one of the more "affordable" communities in southern California with a median home value of \$74,800 in 1990 which was one of only six communities in the region with a median home value less than the national median of \$79,100.

There are also a variety of multi-family rental units available which range in price from approximately \$375 per month for a one bedroom/one bath unit to approximately \$525 per month for a two bedroom/two bath unit. In addition, there are bachelor apartments available for as low as \$300 per month. There have been a total of 908 building permits issued for residential development since 1989. Of these, 362 were for affordable housing to the very low and low income households, meeting 58% of the City's housing needs in this category. There have been 546 units constructed in the moderate and high income ranges, meeting 54% of the demand for such housing in the City.

Policy 4: *Encourage the maintenance of existing housing opportunities while promoting the development of new housing opportunities for the City's elderly.*

The City continues to encourage the maintenance of existing senior housing through programs such as the Senior Home Repair Grant Program which is intended to provide money for upgrading owner-occupied units in the City for persons 62 years of age and older. The City has also encouraged the development of new senior housing including over 400 units of senior-only housing within the Cornerstone project.

Policy 5: *Discourage the conversion of apartments to condominiums by requiring that converted buildings be brought into full compliance with the existing codes.*

There has been no condominium conversion activity in the City of Desert Hot Springs since the last housing element update. The market in Desert Hot Springs is oriented more toward first time home buyers or others seeking more affordable single-family detached housing, and multi-family rental units which are supported in large part by the local service industry. Condominium projects tend to be located in more densely populated areas of the Coachella Valley (i.e. the contiguous cities between Palm Springs and La Quinta) where many are incorporated as part of golf courses and Country Clubs. The seasonal and part-time residents of Desert Hot Springs generally live in mobile home parks or single-family detached dwellings.

Additionally, Section 21-14.6 of the City Zoning Code provides criteria for the conversion of existing multiple family rental housing to condominiums. General requirements include compliance with the State Subdivision Map Act and Chapter 18, Subdivisions of the Municipal Code. Proper notification for tenants of rental housing of intent to convert as well as adequate time for relocation is also required.

Policy 6: *A range of housing opportunities should be provided to existing and future residents of the City to ensure that housing is available to all socio-economic segments of the community.*

As discussed above, a number of housing projects have been approved or are under consideration by the City since the last Housing Element update. The City has encouraged a mix of housing types including senior-only and affordable housing wherever feasible.

Policy 7: *Low and moderate income housing should be of equal design, construction, and maintenance as that of more expensive housing in the City.*

The Terracina and Country Hills multi-family housing projects (discussed further in Section 6.0 of this Housing Element) are two examples of high quality affordable housing stock which is comparable or of higher quality than the City's "non-affordable" multi-family projects. The City maintains these standards through architectural and landscape review of proposed projects and code enforcement of completed projects.

Policy 8: *Housing developed for low and moderate income households should not be concentrated in any single location or planning area.*

The City does not restrict affordable housing projects to any particular area as long as it is located in the appropriate residential type and density designation. There are a variety of residential designations located throughout the City.

Wherever possible, the City strives to locate multi-family projects in close proximity to mass transit, shopping centers and pedestrian access opportunities.

Policy 9: *The provision for low and moderate income housing should be coordinated with the Riverside County Housing Assistance Program (HAP).*

City Housing Authority projects (i.e Section 8 programs) are now administered directly through the Riverside County Housing Authority.

Policy 10: *Provide information and referral services to regional agencies which counsel people on fair housing and landlord-tenant issues.*

The City of Desert Hot Springs has an agreement with the County of Riverside to provide a wide range of services for City residents. These services are designed to implement fair housing policies and procedures and to provide information concerning minority rights under existing fair housing laws.

Policy 11: *The City of Desert Hot Springs will continue to support and assist in enforcing, as required, the provisions of the Federal Fair Housing Act.*

Through the Riverside County Housing Authority, the City ensures fair housing policies and procedures with regard to minority rights under existing fair housing laws.

Policy 12: *Encourage the construction of housing units for senior citizens by allowing a density bonus of up to 50% in projects devoted to senior housing.*

The Cornerstone project, approved in 1991, allows for nearly 20% senior housing (420 out of 2,212 total dwelling units). While the overall density of the project does not exceed the City standard of 14 dwelling units per acre, the project was allowed to have higher than normal densities in some planning areas (up to 20 DU/acre) in order to accommodate senior housing. The City continues to encourage projects which provide senior housing wherever feasible. The recently approved Rancho Royale project (within the City's Sphere of Influence) also allows for 20% senior housing which would be over 1,600 dwelling units when completely built out. Due to the large number of total dwelling units (over 8,000) this project does not utilize any density bonuses. However, senior housing is a requirement as part of the Conditions of Approval.

Goals, Policies and Programs of the Updated Housing Element

Section 65588 of State Housing Element Law requires that each local government shall review its housing element as frequently as appropriate to evaluate the effectiveness of the housing element in achieving its goals and objectives. Although the previous element did not provide quantified objectives and time lines for construction of specific types of housing, most of the policies have been complied with. As discussed above, the City has encouraged new single-family construction (908 building permits issued), a variety of housing types, new housing for seniors through density bonuses, and equal design for affordable housing projects.

This Housing Element update contains a more detailed description of Goals, Policies, and Programs including quantified objectives of each housing program and the projected time frame for completion (Section 10.0 of this document). It also contains a matrix which outlines the goals for achieving future housing needs in each income category. By setting more specific goals, time for completion, and listing the responsible party or agency, this housing element will be better able to meet the program objectives.

3.0 DEMOGRAPHIC INFORMATION

This section of the Housing Element of the Desert Hot Springs General Plan contains relevant demographic, household, and socioeconomic data. This information relies heavily on data provided in the 1990 U.S. Census of Population and Housing and 1992 estimates from the State Department of Finance.

3.1 Historic and Current Population

Based on Census Data, the population of Desert Hot Springs increased from 2,738 persons to 5,941 persons between 1970 and 1980, an increase of about 46 percent. According to the 1990 Census, the population of Desert Hot Springs was 11,668 persons, nearly double the 1980 population. The population as of January 1, 1992 was estimated by the California Department of Finance to be 13,375 persons. This increase in population has been due primarily to immigration and infill development of vacant land rather than annexation of inhabited land. Annexations in the past have generally involved uninhabited land and have not significantly contributed to the City's population increase.

Annexation 21

A fiscal impact analysis was prepared in 1991 as part of the documentation to be sent to LAFCO. At that time the population of the annexation area was estimated to be approximately 2,391 persons. However, as part of this Housing Element update, a housing survey of the entire annexation area was conducted by Terra Nova staff in January 1993 which resulted in a total count of 1,987 dwelling units. Based on 2.12 persons per dwelling unit and an 11% vacancy rate (1990 Census data for Desert Hot Springs), the current population of the annexation area is estimated to be 3,749 persons.

3.2 Population by Age Group, Race

Age Distribution

The median age in Desert Hot Springs as of 1990 was 30.0 years. Table 2 presents the number of persons for various age ranges and the percent of total population for each group.

Table 2
Age Distribution-1990

| Age | Number | % of Total |
|-------|--------|------------|
| 0-4 | 1,185 | 10% |
| 5-17 | 2,205 | 19% |
| 18-24 | 1,187 | 10% |
| 25-44 | 3,660 | 32% |
| 45-64 | 1,759 | 15% |
| 65+ | 1,672 | 14% |
| Total | 11,668 | 100% |

Source: 1990 U.S. Census of Population and Housing

As expected, due to the City's median age of 30 years, a substantial proportion of the population is within the 25-44 age group. The remainder of the population is divided into relatively even age group segments. This is in contrast to other Coachella Valley cities such as Palm Springs, whose median age is 41.6, and Rancho Mirage with a median age of 59.1. This suggests that these cities have a larger proportion of retirement-aged individuals than Desert Hot Springs. However, due to the City's affordable single-family housing stock and the large number of mobile home parks (many of which are seniors only), Desert Hot Springs is, nonetheless, a desirable retirement location. In addition, as discussed previously, several large projects are proposed which include up to 20% "seniors-only" housing. Also because of its relative affordability, the City has continued to attract first-time home buyers and younger employees of the Valley's service industry, keeping a fairly even mix of age groups.

Ethnic Characteristics

Table 3
Ethnic Characteristics-1990

| Race | Number | % of Total |
|-----------------|--------|------------|
| White | 8,513 | 72.9% |
| Hispanic | 2,278 | 19.5% |
| Black | 454 | 3.8% |
| American Indian | 159 | 1.3% |
| Asian | 226 | 1.9% |
| Other | 38 | .6% |
| Total | 11,668 | 100% |

Source: 1990 U.S. Census of Population and Housing

As shown, the ethnicity of Desert Hot Springs is predominantly white with a relatively large hispanic population. Blacks and other minorities make up less than eight percent of the overall population.

3.3 Households by Income

The median income for all households in Desert Hot Springs in 1989 was \$20,687 which is considerably less than the County median household income of \$36,000. The following table presents a distribution of the number of households by various ranges of income. As shown, the majority of the households within the City fall into the \$5,000 to \$49,999 per year income range with a relatively small number of households below the \$5,000 per year range or above the \$75,000 dollar per year range.

Table 4
Income Distribution by Household-1990

| Income | Households | % of Total |
|-----------------|------------|------------|
| \$ 0- 4,999 | 311 | 7% |
| \$ 5,000- 9,999 | 762 | 17% |
| \$10,000-14,999 | 628 | 14% |
| \$15,000-24,999 | 896 | 19% |
| \$25,000-34,999 | 743 | 16% |
| \$35,000-49,999 | 698 | 15% |
| \$50,000-74,999 | 369 | 8% |
| \$75,000-99,999 | 126 | 3% |
| \$100,000+ | 61 | 1% |
| Total | 4,594 | 100% |

Source: 1990 U.S. Census of Population and Housing

3.4 Employment Information

As of completion of the 1980 Census, a majority of jobs within the City were in the services (i.e. hotel, restaurant) and retail industries which is consistent with the City's status as a seasonal resort and spa community. While the overall number of jobs nearly doubled between 1980 and 1990, the percentage of jobs in the service and retail industries remained essentially the same. There were no significant changes in the proportion of overall jobs in any of the other job categories.

Table 5
Employment by Industry -1980

| Industry | Number | % of Total |
|---------------------------------|--------------|-------------|
| Ag./Forestry/Fishing/Mining | 13 | .5% |
| Construction | 379 | 15.4% |
| Manufacturing | 138 | 5.6% |
| Transportation | 48 | 1.9% |
| Communications/Public Utilities | 112 | 4.5% |
| Wholesale/Retail Trade | 625 | 25.4% |
| Finance, Insurance, Real Estate | 189 | 7.7% |
| Services | 900 | 36.6% |
| Public Administration | 59 | 2.4% |
| Total Employed (Age 16+) | 2,463 | 100% |

Source: 1980 U.S. Census of Population and Housing

Table 6
Employment by Industry -1990

| Industry | Number | % of Total |
|---------------------------------|--------------|-------------|
| Ag./Forestry/Fishing/Mining | 159 | .3% |
| Construction | 563 | 12.4% |
| Manufacturing | 138 | 3.0% |
| Transportation | 243 | 5.3% |
| Communications/Public Utilities | 142 | 3.1% |
| Wholesale/Retail Trade | 1,066 | 23.6% |
| Finance, Insurance, Real Estate | 293 | 6.5% |
| Services | 1,795 | 39.7% |
| Public Administration | 117 | 2.6% |
| Total Employed (Age 16+) | 4,516 | 100% |

Source: 1990 U.S. Census of Population and Housing

Annexation 21

The proposed annexation area would be expected to have similar employment characteristics as the City of Desert Hot Springs since it is immediately adjacent to the City limits. Therefore, based on 1990 Census data for the City of Desert Hot Springs, an estimate of current employment by industry was calculated for the proposed annexation area as shown in the following table.

Table 7
Employment by Industry
Annexation #21 -1993

| Industry | Number | % of Total |
|---------------------------------|---------------|-------------------|
| Construction | 196 | 12% |
| Wholesale/Retail Trade | 391 | 24% |
| Services | 652 | 40% |
| Other | 391 | 24% |
| Total Employed (Age 16+) | 1,630 | 100% |

Source: 1990 U.S. Census of Population and Housing, Terra Nova Planning & Research

4.0 HOUSING

The following section addresses the conditions, characteristics, values, and vacancy rates of housing units within the City. It also examines overcrowded housing conditions as well as the existing and future need for affordable housing.

4.1 Historic and Current Housing Characteristics

Tables 8 and 9 show the characteristics of the City's housing stock in terms of number of units per structure based on 1980 and 1990 Census data, respectively. Table 10 is based on a survey of the City's housing stock conducted by Terra Nova staff in December 1992 and January 1993.

Table 8
Housing Characteristics-1980

| Units in Structure | Number | % of Total |
|-----------------------------|--------|------------|
| One, Detached | 2,689 | 59% |
| Two-Four | 473 | 10% |
| Five-Nine | 276 | 06% |
| Ten+ | 418 | 09% |
| Mobile Home, Trailer, Other | 732 | 16% |
| Total | 4,588 | 100% |

Source: 1980 U.S. Census of Population and Housing (Census Tract 445.02; Includes Desert Hot Springs and Surrounding Areas).

Table 9
Housing Characteristics-1990

| Units in Structure | Number | % TOTAL |
|-----------------------------|--------------|-------------|
| One, Detached or Attached | 3,108 | 57% |
| Two-Four | 952 | 17% |
| Five-Nine | 595 | 11% |
| Ten+ | 514 | 9% |
| Mobile Home, Trailer, Other | 325 | 6% |
| Total | 5,494 | 100% |

Source: 1990 U.S. Census of Population and Housing

The proportion of single-unit, detached or attached units changed little between 1980 and 1990, remaining close to 60% of overall housing stock. The reason for the apparent reduction in mobile homes is that the 1980 Census included adjacent lands outside the City limits while the 1990 Census counted only incorporated City limits. Areas surrounding the City include several mobile home parks, which were not included in the 1990 Census.

Table 10
Housing Characteristics-1993

| Unit Type | Number | % TOTAL |
|------------------------|--------------|-------------|
| Single Family Detached | 3,429 | 56% |
| Multi-family | 1,923 | 32% |
| Duplex | 494 | 8% |
| Mobile Home, Trailer | 227 | 4% |
| Total | 6,073 | 100% |

Source: Terra Nova Planning & Research Inc., Survey, December 1992, January 1993.

In approximately two years since the 1990 Census, the overall number of dwelling units increased by 675 units. The predominant type of dwelling unit remains single-family detached, making up over half the units, with multi-family complexes making up about one-third of all types of housing in the City. Duplexes are about eight percent of the City's housing stock, while mobile homes make up the smallest portion of overall dwelling units at four percent.

Annexation 21

The following table gives a breakdown of dwelling unit types only within the proposed Annexation #21 boundaries. This data is based on a survey of the City's housing stock conducted by Terra Nova staff in December 1992 and January 1993.

Table 11
Housing Characteristics
of Annexation #21-1993

| Unit Type | Number | % TOTAL |
|------------------------|---------------|----------------|
| Single Family Detached | 796 | 40% |
| Multi-family | 9 | 1% |
| Duplex | 18 | 1% |
| Mobile Home, Trailer | 1,164 | 58% |
| Total | 1,987 | 100% |

Source: Terra Nova Planning & Research Inc., Survey, December 1992, January 1993.

Unlike the incorporated City limits of Desert Hot Springs, the majority of dwelling units in the proposed Annexation #21 area consist of mobile homes, making up nearly 60 percent of the housing stock. Single-family detached units make up about 40 percent of the housing stock in this area, while duplex and multi-family units make up only about one percent each of the overall dwelling units.

4.2 Vacancy Rate

Table 12
Characteristics of Vacant Units-1980

| Vacancy Type | Number | % TOTAL |
|------------------------------|---------------|----------------|
| For Sale | 216 | 19% |
| For Rent | 261 | 23% |
| Seasonal Home | 452 | 39% |
| Rented or Sold, Not Occupied | 67 | 6% |
| All Other Vacant | 150 | 13% |
| Total | 1,146 | 100% |

Source: 1990 U.S. Census of Population and Housing (Census Tract 445.02; Includes Desert Hot Springs and Surrounding Areas).

Table 13
Characteristics of Vacant Units-1990

| Vacancy Type | Number | % TOTAL |
|------------------------------|---------------|----------------|
| For Sale | 75 | 9% |
| For Rent | 259 | 28% |
| Seasonal Home | 311 | 34% |
| Rented or Sold, Not Occupied | 55 | 6% |
| All Other Vacant | 208 | 23% |
| Total | 908 | 100% |

Source: 1990 U.S. Census of Population and Housing

The two tables above show that seasonal homes make up the largest percentage of overall vacancies, with relatively little change from 39% to 34% from 1980 to 1990 respectively. Rental units also experienced relatively little change in their proportion of overall vacancies. However, units for sale decreased from 19% to 9% of the total by 1990. The total number of vacant units decreased by about 240 units during this period. The overall vacancy rate in 1990 was 17%, and only 11% if adjusted for seasonal homes.

4.3 Condition of Housing Stock

As a part of the preparation of this Housing Element Update, a Housing Survey was conducted to determine the quality of the housing stock in the City. Housing was rated on a scale of 1 to 5, with the following definitions being applied to each numerical category:

- 1 Very Good Condition, no maintenance necessary
- 2 Good Condition, minor aesthetic maintenance necessary
- 3 Acceptable Condition, aesthetic and structural maintenance necessary
- 4 Poor Condition, major aesthetic and considerable structural maintenance necessary
- 5 Unacceptable Condition, considerable dilapidation; health and safety a concern

The table below illustrates the number of dwelling units in the City of Desert Hot Springs as well as the proposed Annexation #21 area which fall in each of the categories outlined above.

Table 14
Condition of Housing Stock-1993

| Unit Type | 1 | 2 | Category 3 | 4 | 5 |
|--------------------------|--------------|--------------|-------------------|------------|-----------|
| City Limits | | | | | |
| Single Family Residences | 1,245 | 1,145 | 739 | 255 | 45 |
| Duplexes | 107 | 77 | 45 | 15 | 3 |
| Multi-family Residences | 66 | 108 | 50 | 25 | 5 |
| Mobile Homes | 74 | 79 | 44 | 30 | 0 |
| Subtotal | 1,492 | 1,409 | 878 | 325 | 53 |
| Annexation 21 | | | | | |
| Single Family Residences | 562 | 118 | 74 | 35 | 7 |
| Duplexes | 0 | 3 | 5 | 1 | 0 |
| Multi-family Residences | 0 | 2 | 1 | 0 | 0 |
| Mobile Homes | 814 | 329 | 21 | 0 | 0 |
| Subtotal | 1,376 | 452 | 101 | 36 | 7 |
| Total | 2,868 | 1,861 | 979 | 361 | 60 |

Source: 1993 Housing Survey, Terra Nova Planning & Research, Inc.

The survey found that the majority of the housing stock in the City (55%) is in Acceptable or Good condition, 8% of the housing stock is considered is in Poor or Unacceptable condition, and 36% is in Very Good condition.

In the Annexation 21 area, 70% of the housing was considered to be in Very Good condition, 28% in Good or Acceptable condition, and 2% in Poor or Unacceptable condition.

4.4 Overcrowding

The State Department of Housing and Community Development has set the standard of 1.01 persons per room as the criteria for defining "overcrowded" housing conditions. The following table presents a range of persons per room by occupied housing unit in the City of Desert Hot Springs.

Table 15
Overcrowded Housing Units-1990

| OWNER OCCUPIED | | |
|--|--|----------------------|
| Persons Per Room | | Housing Units |
| 1.01 to 1.50 | | 68 |
| 1.51 to 2.00 | | 27 |
| 2.01 or more | | 12 |
| Total Overcrowded Units | | 107 |
| RENTER OCCUPIED | | |
| Persons Per Room | | Housing Units |
| 1.01 to 1.50 | | 219 |
| 1.51 to 2.00 | | 216 |
| 2.01 or more | | 82 |
| Total Overcrowded Units | | 517 |
| Total Overcrowded Owner & Renter Occupied Units | | 624 |
| Source: 1990 U.S. Census of Population and Housing | | |

As shown in the table above, there were a total of 107 housing units which were owner-occupied and 624 renter-occupied housing units which met the HCD criteria for "overcrowded" conditions as of the 1990 Census. There were a total of 731 overcrowded units within the City. This represents approximately 13% of the total housing units counted for the 1990 Census.

4.5 Housing Values

Housing value is based on 1990 Census data responses of what the respondent estimated that the property (house and lot) would sell for. Data is presented only for owner-occupied single-family homes on less than 10 acres. Mobile homes, trailers, condominium units and all rental units are excluded from this data.

Table 16
Values, Specified Owner-Occupied Housing Units-1990

| Value | Number |
|------------------------|--------|
| \$14,999 or less | 11 |
| \$15,000 to \$34,999 | 43 |
| \$35,000 to \$59,999 | 349 |
| \$60,000 to \$99,999 | 1,017 |
| \$100,000 to \$149,999 | 202 |
| \$150,000 to \$199,999 | 46 |
| \$200,000 to \$249,999 | 16 |
| \$250,000 to \$299,999 | 5 |
| \$300,000 to \$399,999 | 3 |
| \$400,000 or more | 2 |

Source: 1990 U.S. Census of Population and Housing

As shown, the largest number of homes (1,017) are within the \$60,000 to \$99,999 price range. The median home value in Desert Hot Springs as of 1990 was \$74,100, making it a community with the sixth most "affordable" home values among the six county SCAG region.

5.0 LAND INVENTORY

Table 17, below shows the amount of vacant residential land which was estimated by the City as part of a valley-wide survey by the Coachella Valley Association of Governments (CVAG). This table also projects the maximum number of dwelling units which could potentially be built within each zoning designation.

Table 17
Vacant Residential-Zoned Land-1992

| Zoning Designation | Acreage | Potential Dwelling Units |
|--|--------------|--------------------------|
| Low Density (Specific Plan, 5 DU/acre) | 1,743 | 8,715 |
| Low Density (5 DU/acre maximum) | 1,005 | 5,025 |
| Medium-Density (8 DU/acre) | 192 | 1,536 |
| Medium High Density (14/DU acre) | 65 | 910 |
| Total | 3,005 | 16,186 |

Source: Coachella Valley Association of Governments, Land Use Information System, 1992

The Southern California Association of Governments (SCAG) has estimated that the future housing need for all income groups to be 1,622 dwelling units for the period between July 1989 and June 1994. The total estimated lower income household need for shelter is 619 dwelling units for the same time period (future needs are discussed in more detail in Section 8.3). As shown above, there is sufficient vacant land which is zoned for residential uses to provide the estimated need for affordable units.

Annexation 21

Table 18, below shows the amount of vacant residential land within the proposed Annexation #21 area as well as the potential number of dwelling units which could be built there. This was estimated by subtracting built-out acreage obtained as part of the January 1993 housing survey from the estimates of overall residentially zoned land contained in the Environmental Assessment for the annexation area.

Table 18
Vacant Land-Annexation #21
Proposed Residential Zoning

| Zoning Designation | Acreage | Potential Dwelling Units |
|-----------------------------------|----------------|---------------------------------|
| Low Density (R-1, 0-5 DU/acre) | 3,031 | 15,155 |
| Medium Density (R-2, 6-8 DU/acre) | 82 | 410 |
| Total | 3,113 | 15,565 |

Source: Environmental Assessment for Annexation #21 into the City of Desert Hot Springs.

As discussed above, there is sufficient land available within the existing City limits to meet future housing needs. Approval of the annexation area will more than double the amount of vacant residential land in the City and will provide for the potential development of over 15,000 dwelling units.

6.0 EXISTING AFFORDABLE HOUSING PROGRAMS

In order to implement affordable housing goals set forth in this Housing Element update, the following housing programs will continue to be administered:

Housing Rehabilitation Programs

As discussed in Section 4.3, a housing stock survey of the City conducted by Terra Nova staff in December 1992 and January 1993, assessed the structural condition of all residential units. Approximately 255 single-family units were judged to be in “poor” condition (major aesthetic and considerable structural maintenance necessary) while 45 units were judged to be in “unacceptable” condition (considerable dilapidation, health and safety a concern). With regard to duplex units, there were 15 in poor condition and 3 in unacceptable condition. There were 25 apartment complexes judged to be in poor condition and 5 complexes judged to be in unacceptable condition. Finally, there were 30 mobile homes judged to be in poor condition with none in unacceptable condition.

Annexation 21

A housing stock survey was also conducted at the same time as discussed above, within the proposed Annexation #21 boundary. According to this survey there were 35 single-family dwellings judged to be in poor condition and 7 single-family dwellings judged to be in unacceptable condition. One duplex was found to be in poor condition with none in unacceptable condition. There were no multi-family complexes or mobile homes found to be in either poor or unacceptable condition.

To encourage maintenance and rehabilitation of substandard units, the following programs are available:

Senior Home Repair Grant Program: The objective of this grant program is to provide money for upgrading owner-occupied units in the City where the necessary repairs are minor. The maximum grant amount is \$1,500, or in the case of code violations or hazardous conditions, up to \$3,500. Homeowners must be at least 62 years old, and meet income requirements in order to be eligible for these grants. The program is funded through Community Development Block Grant Funds.

Deferred/Low Interest Loan Program: This program provides loans in the amount of \$3,500 to qualifying homeowners. These loans may be used for minor repairs or major home improvements including room additions if the borrower can show evidence of overcrowding. The loans are reviewed every five years to assure eligibility. These loans are not assumable.

Rental Rehabilitation Program: This program is administered by the Riverside County Housing Authority and provides low interest loans to the owner of rental housing units which are in low income neighborhoods (at or below 80% of median income of the area). Loan amounts range from a minimum of \$600 per unit average to a maximum of \$8,500 per 3 or more bedroom unit. The loan is payable when the property changes title.

Code Compliance Checks: At the request of a property owner or prospective buyer, City staff will provide copies of all building and related permits for the property so that the owner can determine whether previous rehabilitation work has been inspected and found in compliance with codes.

There are numerous programs available to provide rental assistance and to encourage the construction of new affordable housing. The following programs are available in the City of Desert Hot Springs.

Section 8 Housing Assistance: The City of Desert Hot Springs provides HUD Section 8 rental assistance to lower income renters within the City through the Riverside County Housing Authority. The Housing authority subsidizes 136 units through vouchers and Section 8 certificates.

Fair Housing Programs: The City of Desert Hot Springs has an agreement with the County of Riverside to provide a wide range of services for City residents. These services are designed to implement fair housing policies and procedures and to provide information concerning minority rights under existing fair housing laws.

Redevelopment Agency Programs: California Redevelopment Law mandates that 20% of each Redevelopment Area's Tax Increment Financing be allocated, or set-aside, for the development and rehabilitation of low and moderate income housing. State Guidelines determine what qualifies as low and moderate income housing, and can generally be described as housing which, in exchange for favorable financing or other assistance, is available only to qualifying households. In some cases, such as the Country Hills apartments, only a portion of the project must be occupied by low and moderate income families. In others, such as the Terracina Apartments, all units are restricted to low and moderate income households.

3

Home Rehabilitation Program: This program was established by the Redevelopment Agency to provide qualified households a maximum of \$2,500 for home improvements including landscaping, roofing, exterior and interior painting and many other home improvement and maintenance tasks.

State Housing Programs: The State Department of Housing and Community Development provides loans under the California Housing Rehabilitation Program. Under this program, HCD provides low-interest loans for the rehabilitation of rental housing including residential hotels. Loan limits range from \$15,000 for rehabilitation of residential hotel units to \$35,000 for 3 or more bedroom units. These loans are given only to maintain or convert to assisted units.

Family Housing Demonstration Program: The State Department of Housing and Community Development has funds available for nonprofit and local government sponsors to pay for the new construction, rehabilitation, or acquisition and rehabilitation of community housing developments consisting of 20 or more units, or congregate housing developments.

Affordable Housing Projects

Terracina Apartments, consists of 216 units located at 13355 Verbena Way, Desert Hot Springs. This project was constructed in two phases of 120 and 96 units each. In the case of phase I (120 units) 100% of the residents must have an income no greater than 60% of the County median household income. For phase II, 70% of the residents must fall in this category, and 30% must not earn more than 50% of the County median.

Country Hills Apartments consists of 200 units located at 66900 Ironwood Drive, Desert Hot Springs. This project is financed through tax-exempt bonds and contains 40 affordable units. Tenants wishing to lease affordable units must be in "very low", "low", or "moderate" income categories based on the County median household income. As of September 1992, 33 of the 40 affordable units were vacant and being held available for occupancy.

Quinto Del Sol Apartments consists of 42 units located at 13600 Don English Way, Desert Hot Springs. This complex is administered and owned by the Riverside County Housing Authority and rent is established at 30% of gross monthly income. Although there are no income restrictions for applying to live in this complex, higher income households would not likely apply once the rental rate becomes higher than the local market rate.

Highland Homes, is privately owned by Desert Hot Springs Homes Incorporated and consists of 12 units located at 13704 Avenida Hermosa, Desert Hot Springs. The project is financed through a FmHA Section 515 loan which was approved in June 1971 with a 40 year mortgage. This project is restricted to low income seniors and the physically handicapped.

Habitat for Humanity: This non-profit organization provides financing and labor to construct homes for families which are currently in substandard living conditions and who have a household income of between 50% and 80% of the county median income. The loan consists of a \$500 down payment with a 15-25 year mortgage at 0% interest. In exchange for this loan, the buyer must contribute 450 hours of either direct labor or through other services such as delivering supplies or other volunteer work which helps the organization.

7.0 CONSTRAINTS TO THE PROVISION OF AFFORDABLE HOUSING

The City of Desert Hot Springs recognizes the need to ensure that there is adequate housing which is affordable to all income groups. However, there are a number of constraints which can impede achievement of this goal. These potential constraints are discussed below.

7.1 Economic Constraints

Land Costs

Extensive development of vacant land throughout southern California in the past decade has led to an increased demand for land which resulted in a rapid rise in land values and consequently higher housing costs. However, land values in the Coachella Valley have remained relatively affordable in comparison to most other areas of southern California.

According to recent listings of vacant residential property in Desert Hot Springs, prices range between approximately \$8,500 and \$15,000 for an improved R-2 lot (8 dwelling units per acre maximum, 10,000 square foot minimum lot area). Prices range between \$15,000 and \$35,000 or more for larger lots in the R-3 zone. The maximum density in an R-3 zone is 14 units per acre, bringing land costs per unit to a range of \$1,071 to \$2,500.

Although the City has little control over market demands and thus cannot determine the price of land, City land use policies which regulate the allowable densities of residential uses can influence the ultimate cost of the dwelling unit. There are currently five residential land use designations in the City Zoning Code. Land use policies are further discussed under "Zoning Constraints" in Section 7.2, below.

Construction Costs

Labor and materials costs are the other major areas other than land costs, which have a direct impact on the cost of housing. Single-family dwelling construction costs can vary greatly depending on the size of the unit and whether it is a custom home or part of a large subdivision. According to the Building Industry Association, Desert Council, in Desert Hot Springs and the rest of the Coachella Valley, single-family construction generally ranges between \$31 and \$59 per square foot depending on design. At the present time, the cost of labor and materials is not a hindrance to producing relatively low-cost housing. Significant increases in these costs, which the City has no direct control over, can directly affect the affordability of housing.

Financing

Financing costs can impact the ability of potential home buyers to make a purchase. Interest rates are relatively low at the present time (9% to 10%) but fluctuations can

significantly impact the affordability of homes.

7.2 Governmental Constraints

Development Fees and Application Processing

The permit process can have a significant impact on the timely and cost-effective production of new housing. Lengthy review periods and excessive development fees can discourage new construction. The time required to process residential development varies according to the scope of the proposal. Residential development application processing is generally completed within 30 days of submission. In the case of multi-family projects and subdivisions which require further environmental documentation, the application processing will take approximately two to four months depending on whether an environmental impact report is required. The following discretionary actions must be approved by both the City Council and Planning Commission and are subject to CEQA mandated timelines, but can generally be completed within four months: Tract Maps, Specific Plans, Planned Residential Developments, Zone Change, Site Plan review, and Environmental Impact Report review. Building permit and development fees are set based on the individual project's value and the number of units proposed. Residential development fees charged by the City are shown in Table 19.

Table 19
Residential Development Fees
City of Desert Hot Springs

| | 1,500 Square Feet | 2,500 Square Feet |
|----------------------|----------------------|----------------------|
| Planning Fee | \$110 | \$121 |
| Permit Fee* | \$1,065 | \$1,550 |
| Water/Sewer | \$2,775 | \$3,250 |
| Development Tax | \$330 | \$550 |
| Electrical Hookup | \$150 | \$250 |
| Fire Facilities Fee | \$75 | \$125 |
| Traffic Signal Fee | \$50 | \$50 |
| Park Development Fee | \$200 | \$200 |
| Total | \$4,755 | \$6,096 |

*Permit Fee includes: building, plan check, encroachment, mechanical and plumbing fees and Strong Motion Instrumentation (SMI) for the State of California.

Does not include school fees currently levied at \$2.65 per square foot as of January 1, 1993.

Fees for CEQA permits, Regulatory Approvals and Subdivision Applications are shown in Tables 20 through 22 below.

Table 20
Fees for CEQA Permits
City of Desert Hot Springs

| | Fee Amount |
|--------------------------------|-------------------------------------|
| Categorical Exemption | \$100 |
| Initial Study | \$375 |
| | +\$3/gross acre (Max \$1,100) |
| Mitigated Negative Declaration | \$750 |
| Environmental Impact Report | \$2,100 |
| Appeal of Determination | \$300 |
| Geotechnical Report Review | \$650 |
| | + \$19/acre of 10 acres (Max \$790) |
| Fault Hazard Report Review | \$650 |
| | + \$21/acre of 10 acres (Max \$796) |

Table 21
Fees for Regulatory Approvals
City of Desert Hot Springs

| | Fee Amount |
|---|-------------------|
| GENERAL PLAN AMENDMENT | |
| A. Land Use Map Amendment | \$1,800.00 |
| B. Text Amendment | \$1,800.00 |
| ZONING CHANGE | |
| A. Zoning Map Amendment | \$1,700.00 |
| B. Zoning Text Amendment | \$1,600.00 |
| C. Zoning Information Letter | \$25.00 |
| SUBDIVISION ORDINANCE AMENDMENT | \$1,400.00 |
| VARIANCE APPLICATION(Per Variance Request) | |
| A. Filed with Additional Application | \$600.00 |
| B. Filed Alone | \$720.00 |
| DEVELOPMENT AGREEMENT | \$500.00 |
| CONDITIONS, COVENANTS & RESTRICTIONS (CCR) | \$250.00 |
| ANNEXATION APPLICATION | \$3,500.00 |

Table 22
Fees for Subdivision Applications
City of Desert Hot Springs

| | <u>Fee Amount</u> |
|--|--------------------------|
| TENTATIVE PARCEL MAP | \$1,100.00 +\$ 25/lot |
| FINAL PARCEL MAP | \$650.00 + \$20/lot |
| TENTATIVE TRACT MAP | \$1,400.00 +\$25/lot |
| A. Statutory Condominium Subdivision | \$1,650.00 +\$12/unit |
| B. Revised Statutory Condominium Subdivision | \$1,250.00 +\$12/unit |
| FINAL TRACT MAP | \$700.00 +\$25/lot |
| A. Statutory Condominium Subdivision | \$650.00 +\$12/unit |
| LOT LINE ADJUSTMENT | \$425.00 |
| CERTIFICATE OF COMPLIANCE | \$350.00 |
| VESTING TENTATIVE PARCEL MAP | \$2,500.00 +\$25/lot |
| VESTING TENTATIVE TRACT MAP | \$2,500.00 +\$25/lot |
| PARCEL MAP TIME EXTENSION | \$550.00 |
| TRACT MAP TIME EXTENSION | \$650.00 |
| TENTATIVE PARCEL MAP MINOR CHANGE | \$400.00 |
| TENTATIVE TRACT MAP MINOR CHANGE | \$550.00 |
| MERGER OF CONTIGUOUS PARCELS | \$600.00 |
| REVERSION TO ACREAGE | \$500.00 |
| REVISED PARCEL MAP | \$650.00 |
| REVISED TRACT MAP | \$750.00 |

Zoning Constraints

The Zoning Ordinance for the City of Desert Hot Springs establishes allowable uses and densities for a particular zone. As discussed previously in Section 5, there are over 3,000 acres of vacant land which are presently zoned for residential uses with a variety of densities. There are currently five residential land use designations in the City Zoning Code:

- Low Density Residential Specific Plan (O-L) - Allows for one dwelling unit per 2.5 acres and is generally an interim zone for lands subject to environmental constraints or lack of adequate infrastructure.
- Low Density Residential (R-1) - Permitted uses are single-family detached dwellings and mobile homes at a maximum density of 5 dwellings per acre.
- Medium Density Residential (R-2) - Principal uses are single-family detached dwellings and duplexes at a maximum of 8 dwellings per acre. Condominiums are allowed as a conditional use.
- Limited Two-Family Residential (R-2A) - Principal uses are single-family units and duplex dwelling units on existing lots of record as of August 1, 1987, which were zoned R-2 and which may not meet minimum lot size standards. Allowable density is one duplex per lot.
- High Density Residential (R-3) - Principal uses are multiple-family attached or detached dwellings with a maximum density of 14 units per acre. Conditional uses include convalescent care, schools, parks, churches and foster homes.

Since there is adequate land and residential zoning to accommodate the City's estimated future housing needs, zoning is not an impediment to achieving this goal. The following table summarizes development standards for residentially zoned lands in Desert Hot Springs.

Table 23
Residential Development Standards

| Zone | R-1 | R-2 | R-2A | R-3 |
|--------------------------------|-------------------------|---|---|---|
| Minimum Lot Area | 9,000 sq.ft. | 10,000 sq.ft. | Existing R-2 lots as of 8/1/87 | 12,000 sq.ft. |
| Maximum Density | 5 DU/acre | 8 DU/acre | 2 DU/acre | 14 DU/acre |
| Minimum Lot Width corner lots: | 60 feet 70 feet | 60 feet 70 feet | 60 feet 70 feet | 60 feet 70 feet |
| Minimum Lot Depth | 100 feet | 100 feet | 100 feet | 100 feet |
| Maximum Coverage* | 40% | 50% | 50% | 60% |
| Maximum Height | 1-story 17 feet. | 2-story 24 feet ** | 2-story 24 feet ** | 2-story 24 feet ** |
| Bldg. Length | -- | -- | -- | 150 ft. |
| Min. Open Space Private | N/A | 100 SF/unit | 100 SF/unit | 150 SF/unit |
| Common | N/A | N/A | N/A | 100 SF/unit |
| Total | N/A | 300 SF/unit | 300 SF/unit | 300 SF/unit |
| Parking | 2 enclosed/ dwelling | 2 enclosed/ du +1 shade visitor sp/ 3 du | 2 enclosed/ du +1 shade visitor sp/ 3 du | 2 enclosed/ du +1 shade visitor sp/ 3 du |

* Coverage includes accessory structures and patio space

** Higher allowed if approved by C.U.P.

The above table illustrates the fact that there are not any overly restrictive residential development standards in the City. Minimum lot sizes for single-family residential are consistent with other cities in the Coachella Valley and since land is relatively inexpensive in Desert Hot Springs (as discussed above, in Section 7.1), lot size standards should not impede development of affordable housing. With regard to maximum density, the City will allow a 25% density bonus over the underlying zoning designation for developments which will devote 20% their units to senior households, 10% to very-low income housing, or 20% for lower income households (per Program 3A.5 of this Housing Element amendment). Finally, with regard to parking requirements of two enclosed spaces per unit in the R-3 zone, this should be revised to be one covered space per unit. This has been allowed for affordable projects in the City such as Terracina and Country Hills.

Planning staff are currently in the process of initiating an update of the Zoning Ordinance of the Desert Hot Springs City Code. A less restrictive parking requirement in the R-3 zone will be considered at that time.

Architectural and Design Standards

Section 21-34.4 of the City of Desert Hot Springs Zoning Code contains information regarding evaluation of development applications. Subsection (a) provides that design review must include architectural considerations including “height, bulk and area of buildings; colors and types of buildings and installations; physical and architectural relations with existing and proposed structures; height, materials, colors and variations in boundary walls, fences or screening planting; all exterior building material including siding, trim, architectural detail and roofing material. All colors of such material are to be approved by the design review committee.”

Development subject to design review is primarily commercial, but includes all multi-family developments of three units or larger, and common recreation and exterior boundaries of mobile home parks. At present, all design review is performed by the City Planning Department and approval is subject to the discretion of the Planning Director. While there are no specific architectural standards, design review is generally guided by the standards in the rest of the Coachella Valley (i.e. tile roofs, stucco exterior, desert landscaping and color schemes) and in keeping with the “small town” character of Desert Hot Springs. Planning staff is currently initiating an update of the City Zoning Code which will include specific architectural standards.

Growth Control and Conditional Uses

The City does not currently have any type of growth control ordinance or moratorium limiting the number or type residential units being built in any given year. In fact the City has been in a pro-growth mode in the past several years, having approved several large residential and commercial projects as well as two separate annexations. Conditional use permit approval is not required for either owner-occupied or rental multifamily housing developments.

Code Enforcement

The Code Enforcement process is an area which has the potential to result in the loss of affordable units. However, it is also an important tool which can be used to require landlords to maintain rental units in habitable condition. The City of Desert Hot Springs has adopted and enforces the Uniform Building Code (UBC) of the State of California to ensure that new construction is safe for the occupants.

Subdivision Improvement Requirements

All subdivisions in the City of Desert Hot Springs must conform to the requirements of the City Subdivision Ordinance and the State Subdivision Map Act, unless modified by Conditions of Approval for the project. Generally, subdivision standards are the same as the development standards for the R-1 zone with regard to minimum lot size, width and depth of lots, and parking standards. However, density bonuses will allow for smaller lots in certain instances (see discussion of Programs in Section 10.0). Street widths are subject

to the results of a traffic impact study but typical public street improvement requirements for subdivisions are as follows:

- 40-foot half width dedication
- 32-foot asphalt concrete pavement width
- 8-inch curb and gutter
- 6-foot sidewalk adjacent to the curb

Any drainage improvements and easement dedication are subject to the specifications of the City Engineer and the Riverside County Flood Control District and will vary according to project location. Sewer and water hookups are subject to the requirements of the Mission Springs Water District and water flow requirements of the fire marshall. However, lack of sewer facilities does not preclude residential development utilizing septic systems (see below). Landscaping is subject to the City's Water-Conserving Landscape Ordinance which requires the use of drought resistant plant materials in all common areas. Undergrounding of all utilities is generally required except where cost of converting existing lines to underground facilities would be prohibitive.

7.3 Physical Constraints

Maintenance of Housing Stock

According to the 1990 Census, there were 699 dwelling units built before 1960. This represents approximately 13% of the total housing stock in the City which was 5,494 units at the time of the Census. Older structures tend to deteriorate if not properly maintained. A total of 378 units in the City were found to be in need of major structural repairs. There are a number of programs available to assist homeowners and those who own rental units as discussed in Section 6.

Infrastructure

Infrastructure constraints to achieving housing goals are those which prevent development due to lack of adequate water, sewer lines, electricity, and other essential public services. Such constraints in Desert Hot Springs include lack of sewer services, particularly in the northern part of the City, generally north of Eighth Avenue. There is also limited sewer service south of Hacienda Avenue. However, since there are adequate water systems throughout the City, residential development has continued to occur in these areas through the use of septic systems. In addition, there are plans to expand sewer service throughout the City according to the Master Sewer Plan produced by the Mission Springs Water District which is responsible for sewer service in the City.

7.4 Environmental Constraints

Flooding

A portion of the western part of the City is subject to inundation from the 100-year flood adjacent to Big Morongo Wash. This area and other smaller areas subject to flooding are shown in the Public Safety Element of the General Plan. Most of this area is currently zoned for open space or industrial uses with some low and medium density residential designations. Therefore, flooding constitutes an environmental constraint to development of new housing in some parts of the City. However, development can take place in these

areas with proper flood control improvements subject to the approval of the Riverside County Flood Control District.

Seismicity

The Coachella Valley is a seismically active region. The City of Desert Hot Springs is located on or near several active faults, including the Mission Creek and Banning branches of the San Andreas Fault. The Alquist-Priolo Special Studies Zone Act requires that the area between 1/4 mile and 1/2 mile in width around all potentially active traces of major faults in the State to be delineated as Special Studies Zones. State Law regarding development in the Special Studies Zone also requires that an applicant submit a geologic report prior to project approval. Although necessary from a public safety standpoint, this requirement adds to the cost of development. The location of these faults is shown in the Public Safety Element of the General Plan.

8.0 HOUSING NEEDS

There are a number of specialized housing needs for various segments of the population in Desert Hot Springs. These needs are discussed below, categorically.

8.1 Special Housing Needs

In addition to the housing needs of the income categories described above, there are number of households with special housing needs.

Single Parent Households

In general, single persons with dependent children need housing that is affordable as well as close to schools and daycare facilities. According to the 1990 Census there were 649 single-parent households in the City of Desert Hot Springs with 141 being male headed households and 508 being female headed households.

Additionally, female headed single parent families tend to have a low rate of home ownership in comparison to other households and they also tend to have lower household incomes.

Seniors

In 1990, there were a total of 1,695 persons over the age 65 in the City which was approximately 15% of the total population of 11,668 persons. This represents a relatively small number of seniors compared with other cities in the western Coachella Valley which range from around 20% to over 50% of the population being in the retirement age.

Most seniors are on a fixed budget with many of them receiving their only income from Social Security benefits or pensions which are well below the County median household income. Therefore, housing affordability for seniors is an important issue. In addition to affordability needs, some seniors may need assistance with the maintenance and upkeep of their homes in order to continue living there. However, as seniors become less independent, they may have special housing needs such as congregate care facilities which usually consist of apartments with a bedroom and kitchen and often provide meals and have organized activities.

Other facilities include age-segregated communities which are generally limited to persons over 50 years of age. This type of housing development usually provides recreational activities and other amenities and may be a part of a planned community or a smaller individual development. It can be marketed as an "upscale" retirement community or as a more affordable community.

In Desert Hot Springs, most of the seniors-only communities are mobile home parks. There are at least seven mobile home parks with over 1,200 spaces within and adjacent to the City of Desert Hot Springs which are restricted to seniors. Prices for previously owned mobile homes range in price from approximately \$5,000 to over \$60,000 for larger models. Rent for mobile home spaces in the Desert Hot Springs area ranges from \$50 to \$305 per month. Section 8.3 includes a table which illustrates the number of occupied and vacant lots, the monthly space rental amount, and whether the park is restricted to seniors only.

While there are numerous vacant spaces in seniors-only mobile home parks in and adjacent to Desert Hot Springs (i.e. Annexation #21 area), there is only one seniors-only, income restricted project in City which is the 12-unit Highland Homes apartment complex. There are currently twelve persons on the waiting list for these apartments, but vacancies are very rare. However, the owners of this property hope to build an additional 35 units adjacent to this project (refer to Section 8.2 for more details on this project).

Handicapped

According to 1990 Census data there were approximately 931 individuals within the City of Desert Hot Springs having some type of disability which prevented them from working. There is no data available regarding the income of persons with disabilities who are unable to work.

The Americans with Disabilities Act requires all new multi-family construction include a percentage of units accessible to the handicapped. The City of Desert Hot Springs Building and Code Enforcement Department requires compliance with these measures as part of the Building Permit review, issuance and inspection process.

Angel View hospital located at 12379 Miracle Hill Road in Desert Hot Springs, provides services to developmentally disabled children. This facility provides beds for 52 individuals with 51 of these currently filled. Angel View is a non-profit organization which accepts private donations as well as medical insurance.

Large Households

The 1990 Census indicates that there were 516 households in Desert Hot Springs with five or more members. Large families such as these have a special need for three, four, or more bedroom units. As of the 1990 Census, there were approximately 1,570 units in the City with three or more bedrooms.

Homeless

The number of homeless persons is difficult to quantify with any degree of accuracy. The homeless tend to be mobile, often moving from one city or county to another. The mild winter climate in Southern California and particularly the Coachella Valley, may attract homeless in these months while the hot summer weather encourages them to move elsewhere. The Southern California Association of Governments (SCAG) has identified several factors in the increase in homeless persons in this area as well as throughout the country. These factors include the following:

1. The de-institutionalization and treatment of mentally ill patients;
2. The shortage of affordable housing;
3. A lack of employment opportunities; and
4. Negative family environments.

The primary provider of services to the homeless in the Coachella Valley is Catholic Charities, a non-profit organization which operates Nightingale Manor, a 12-unit emergency shelter for homeless families located in Palm Springs which has 40 beds. This shelter is operated in conjunction with the Riverside County Housing authority and serves families throughout valley. Kathryn McMillan, Director of Catholic Charities, estimated that approximately one to two families from Desert Hot Springs utilize their facilities every month and that the average stay per family is about 30 days. Additionally, Catholic Charities has budgeted \$60,000 per year to provide one month's rent to families who are about to be evicted because of inability to pay. About 25% of this fund is used to help families in Desert Hot Springs. Other agencies/organizations contacted regarding homeless in Desert Hot Springs include the following:

- The Desert Hot Springs Police Department -Lt. Conroy of the Riverside County Sheriff's Department (contracted to the City for police services) stated that although they don't keep official records on the number of homeless in the City, he knows of only one instance of a homeless individual observed by the Department in the past year. He stated that to the best of his knowledge, there is not a significant homeless problem in Desert Hot Springs.
- "Food Now"- This is a non-profit organization which distributes food to the needy of Desert Hot Springs. Ms. Dorothy Schibi of Food Now was contacted and she stated that in order for anyone to receive food, they have to give an address. Therefore, she could not confirm whether any of her clients are actually homeless.

The following churches in Desert Hot Springs were contacted to see if they provide assistance to the homeless:

- St. Elizabeth Catholic
- Christ Lutheran
- United Pentecostal
- Reorganized Church of Jesus Christ Latter Day Saints
- Seventh Day Adventist of DHS
- Community United Methodist

Of the above churches only two reported any dealings with homeless individuals or families. St. Elizabeth has a liaison with Catholic Charities who refers families to the shelter in Palm Springs (see discussion above) and the Reorganized Church of LDS stated that they are assisting two homeless individuals and they know of approximately 5 people who may lose their shelter soon.

There does not appear to be a significant homeless problem in Desert Hot Springs, it is mainly a problem of a temporary nature for families facing eviction or other circumstances resulting in loss of shelter. Therefore, since Catholic Charities, an existing emergency shelter, appears to be meeting the demand for homeless from Desert Hot Springs, the need for additional shelters in the City is not warranted at this time.

Desert Aids Project

The Desert Aids Project (DAP) provides services to HIV-positive individuals who reside in the Coachella Valley. A spokesperson for DAP declined to give an exact number of their clients who live in Desert Hot Springs but confirmed that they do have clients in the area. The DAP provides anonymous HIV testing, counseling services, and volunteers who do shopping and other daily tasks for patients. While they do not specifically assist with providing housing for their clients, the DAP does have a bulletin board which lists roommates wanted and apartments available, including assisted units.

Drug and Alcohol Rehabilitation

Desert Rehabilitation Services operates two live-in rehabilitation facilities in and adjacent to Desert Hot Springs: Hacienda Valdez, located at 12890 Quinta Way, Desert Hot Springs, which is a women's program with room for 24 people (all currently filled); and The Ranch, located at 7885 Annandale Avenue, located just north of the City limits. This is a men's facility with room for 40 people with 37 of those being filled. Both the men's and women's facilities operate a 60-day program and fees are based on ability to pay.

Farmworkers

Since there is no major agricultural activity within or near Desert Hot Springs, there is no special need for farmworker housing.

8.2 Preservation of Assisted Units

Inventory of Units at Risk

The purpose of this section is to provide an analysis of existing assisted housing developments that are eligible to change to non-affordable housing during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. Assisted housing includes state and local multi-family bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees.

Expiration of affordability restrictions on housing developments can occur for a number of reasons. It can result from early redemption of housing revenue bonds, thereby removing income restrictions or other similar mechanisms. Other reasons for eliminating income restrictions include loss of tax shelter benefits for owners of affordable projects due to changes in the federal tax structure. Finally, owners of projects with a Section 8 contract generally have an eligible "opt-out" date when they may choose not to renew the Section 8 contract.

Affordable multi-family projects in the City of Desert Hot Springs include the following:

- Terracina Apartments, consisting of 216 units located at 13355 Verbena Way, Desert Hot Springs. This project was constructed using low income housing tax credits. In addition, phase II consisting of 96 units was partially constructed using a State Rental Housing Loan (created by Proposition 84). In the case of phase I (120 units) 100% of the residents must have an income no greater than 60% of the County median household income. For phase II, 70% of the residents must fall in this category, and 30% must not earn more than 50% of the County median. This complex currently has a waiting list for 2 one-bedrooms and 2 two-bedroom, one-bath units. The waiting period is expected to be between 30-60 days. There is no waiting period for the two-bedroom, two-bath or three-bedroom, two-bath units.
- Country Hills Apartments, consisting of 200 units located at 66900 Ironwood Drive, Desert Hot Springs. This project is financed through tax-exempt bonds and contains 40 affordable units. Tenants wishing to lease affordable units must meet HUD low income requirements. As of March 1993, 33 of the 40 affordable units were vacant and being held available for occupancy.
- Quinto Del Sol Apartments, consisting of 42 units located at 13600 Don English Way, Desert Hot Springs, administered by the Riverside County Housing Authority and is subsidized through Section 8 lower income rental assistance. There are currently about 200 people on the waiting list for this project with a waiting period of six months to a year to move into a unit. There is generally about 2-3 vacancies per month.
- Highland Homes, is privately owned by Desert Hot Springs Housing Incorporated and consists of 12 units located at 13704 Avenida Hermosa, Desert Hot Springs. The project is financed through a FmHA Section 515 loan which was approved in June 1971 with a 40 year mortgage. This project is restricted to low income seniors and the physically handicapped. There are currently twelve persons on the waiting list for these apartments, but vacancies are very rare.

In the case of Desert Hot Springs Apartments, the loan is due in the year 2011 and is expected to remain restricted to low income seniors until that time, according to the property owner. In order to qualify for prepayment, FmHA regulations require the owners to prove repayment eligibility and feasibility. Incentives are offered by FmHA to stay in the program in the form of increased return on investment or an equity loan. If the incentives are refused, then FmHA will require the project to be transferred to a non-profit organization such as a housing authority which will continue to operate the project as low-income housing.

According to Ms. Florence De Geus of Desert Hot Springs Housing Incorporated, the current property owner, they are committed to preserving these units for low income seniors and have not requested a prepayment option from FmHA. In addition, the property owner owns a 2.5 acre parcel adjacent to this project which they would like to develop with an additional 35 affordable units for seniors and physically handicapped individuals through an additional FmHA loan and/or Redevelopment Agency funds. Conversion of

the property can occur only under limited circumstances, and the owners of the project have indicated that it will remain as a low -income, seniors-only (and handicapped) project. Additionally, the Community Development Act of 1987 precludes the owners from prepayment unless they can establish that there is no longer a need for affordable housing in the community or that there is an adequate alternative to provide for the low income housing that would be converted due to prepayment. It is highly unlikely that the owners would offer the property for sale, given the terms of the loan. However, should they decide to sell the property, the possibility remains that prepayment could occur if, for example, a bona fide offer from a nonprofit organization is not received. Therefore, the project can be considered at risk of conversion under limited circumstances.

The remainder of affordable housing projects within the City are not at risk of losing their affordability status within the next 10 years.

Cost Analysis

Section 65583 (a)(8)(B) of the State Housing Element Law specifies that the analysis of assisted units shall include and estimate of the total cost of producing new rental housing which is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments.

Discussions with contractors in the Desert Hot Springs Area indicate that a project similar to the Highland Homes low-income seniors project could be built for approximately \$45.00 per square foot. The project consists of 9 one-bedroom units of approximately 600 square feet each, and 3 two-bedroom units of approximately 740 square feet each. In addition, there is a 600 square foot laundry room within the project. Utilizing the \$45.00 per square foot construction factor, the following calculation can be made:

| | |
|--|------------------|
| • 600 square foot unit X 9 units (one bedroom) = | 5,400 SF |
| • 740 square foot unit X 3 units (two bedroom) = | 2,220 SF |
| • One 600 square foot laundry room | 600 SF |
| Total Building Area | 8,220 SF |
| 1. Construction Cost: 8,220 SF X \$45 | \$369,900 |
| 2. Architecture/Engineering | \$25,000 |
| 3. Land Cost -2.5 acres, \$30,000 per acre | \$75,000 |
| Contingency-20% | \$93,980 |
| Total Replacement Cost | \$563,880 |

Preservation of Assisted Units

The Housing Element Law also specifies that the assisted housing analysis shall identify the cost of preserving the assisted housing and whether it would be higher or lower than the estimate (cost of new construction). The most recent assessed value of the Highland Homes apartment project is \$280,215. If loss of rent is accounted for (utilizing a factor of 1.5 times

the assessed value) the project could be purchased for approximately \$420,323. Therefore, the cost of preserving the existing units would be \$143,558 lower than the cost of replacing such units.

These units could be purchased by the Riverside County Housing Authority or a private non-profit housing corporation for the above estimated value. However, since the current property owners have stated that they do not intend put the property up for sale and have not requested prepayment of the FHmA loan, no agencies have been contacted as to their interest in acquiring and managing the project. However, the following programs are available in Desert Hot Springs:

Community Development Block Grant Funds: These funds are allocated by the federal Department of Housing and Urban Development (HUD). Desert Hot Springs receives these funds through the Riverside County Economic Development Agency. The amount allocated for the next fiscal year is \$81,772, or about 19% of the purchase price for the project.

Redevelopment Agency Tax Increment Funds: The 1992-1993 RDA low income housing fund is \$92,888 for RDA Project Area #1, and \$1,804 for RDA Project Area #2. The total RDA fund of \$94,692 is only about 23% of the money which would be needed to purchase the project.

8.3 Existing Housing Needs

The most recently completed Regional Housing Needs Assessment (RHNA) was prepared by the Southern California Association of Governments (SCAG) in June 1988. SCAG defines "existing need" as lower income households which are paying more than 30% of household income for shelter. Lower income households are those within each jurisdiction that have incomes of less than 80% of the county's median household income. The following tables illustrate SCAG estimates of the number of the total number of lower income households overpaying for housing as well as the lower income households overpaying by tenure and income.

Table 24
Lower Income Households (LIHH)
Overpaying for Housing-1988

| | Number | % of Total Households |
|-------------------------------|--------|--------------------------|
| Total Households | 4,195 | |
| Total Lower Income Households | 2,249 | 54% |
| Very Low LIHHs Overpaying | 643 | 15% |
| Low LIHHs Overpaying | 371 | 9% |
| Total LIHHs Overpaying | 1,014 | 24% |

Source: 1988 SCAG Regional Housing Needs Assessment

Table 25
Lower Income Households (LIHH)
Overpaying for Housing By Tenure and Income-1988

| | Number | % of Total Households |
|---------------------------|--------------|--------------------------|
| Total Households | 4,195 | |
| Very Low LIHHs-owner | 224 | 5% |
| Low LIHHs -owner | 156 | 4% |
| Total Owner LIHHs | 380 | 9% |
| Very Low LIHHs-renter | 417 | 10% |
| Low LIHHs -renter | 214 | 5% |
| Total Renter LIHHs | 632 | 15% |

Source:1988 SCAG Regional Housing Needs Assessment

As shown in Table 24 above, there are 2,249, or about 54% of the total households which are considered lower income households based on the County median income. Approximately 1,014, or about 45% of the total lower income households, are considered to be overpaying for housing (paying more than 30% of household income for shelter). Therefore, by the criteria identified in the RHNA, there are 1,014 households which make up the current need for affordable shelter. Table 25 shows that 632, or 15% of all lower income households overpaying for housing are renter-occupied households. A total of 380, or 9% of all lower income households overpaying for housing are owner-occupied households.

The following table presents the income limits by family size for the various income categories as defined by the State Department of Housing and Community Development (HCD) and based on the county median household income. The median household income for Riverside County is \$36,000. "Very low" income is defined as less than 50% of the county median; "low" income is defined as 50% to 80% of the county median; "moderate" income is defined as 80% to 120% of the county median; and "upper" income is more than 120% of the county median. For purposes of discussion, this analysis will focus only on the lower and moderate income categories.

Table 26
Income Limits
County of Riverside, April 1991

| Income Standards | NUMBER OF PERSONS IN FAMILY | | | | | | | |
|------------------|-----------------------------|--------|--------|--------|--------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Very Low | 12,600 | 14,400 | 16,200 | 18,000 | 19,450 | 20,900 | 22,300 | 23,750 |
| Low | 20,150 | 23,050 | 25,900 | 28,800 | 31,100 | 33,400 | 35,700 | 38,000 |
| Moderate | 30,250 | 34,550 | 38,900 | 43,200 | 46,650 | 50,100 | 53,550 | 57,000 |

Source: California Department of Housing and Community Development

As shown, income limits for the various income standards range from \$12,600 per year for a very low income household of one person to \$57,000 per year for a moderate income household of eight persons. Based on the guidelines shown in Table 26, above, the following table shows 30% of monthly income for each household size and income type. Any rents paid which exceed this amount (more than 30% of gross monthly income for rent) are considered "overpayment" households.

Table 27
Overpayment Limits
County of Riverside, April 1991

| Income Standard | NUMBER OF PERSONS IN FAMILY | | | | | | | |
|-----------------|-----------------------------|-----|-----|-------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Very Low | 315 | 360 | 405 | 450 | 486 | 522 | 557 | 594 |
| Low | 504 | 576 | 647 | 720 | 777 | 835 | 892 | 950 |
| Moderate | 756 | 863 | 972 | 1,080 | 1,166 | 1,252 | 1,138 | 1,425 |

The limit for housing overpayment ranges from \$315 for a very low income household of one person, to \$1,425 for a moderate income household of eight persons. Since this overpayment criteria is directly related to the rental rates in a particular community, the following table gives a sample of rental rates for the larger apartment complexes (over 35 units) in Desert Hot Springs.

Table 28
Desert Hot Springs Rental Rates
(Over 35 Units per Complex)
July 1991

| Complex | Units | Age (years) | Address | Bed/ Bath | Rate |
|-----------------------------|-------|----------------|-------------------------|--------------|--------|
| Ocotillo | 72 | 3 | 13220 Ocotillo Rd. | 1/1 | \$375 |
| | | | | 2/2 | \$450 |
| Desert Horizons | 44 | 9 | 66789 Two Bunch Palms | 1/1 | \$298 |
| | | | | 2/1 | \$348 |
| | | | | 3/1 | \$398 |
| Casa Del Sol | 106 | 5 | 55500 2nd St. | 1/1 | \$372 |
| | | | | 2/1 | \$408 |
| Agua Caliente Spa | 38 | 4 | 66785 8th St. | 1/1 | \$375 |
| | | | | 2/1 | \$425 |
| ¹ Country Hills | 200 | 5 | 66900 Ironwood | 1/1 | \$465 |
| | | | | 2/1 | \$480 |
| Sandy Palms | 45 | 5 | 66800 Pierson | 2/2 | \$525 |
| Casa West | 48 | 5 | 11550 Cholla Dr. | 1/1 | \$478 |
| Hacienda Heights | 40 | 3 | 68120 Calle Las Tiendas | 2/2 | \$495 |
| ² Terracina | 120 | 3 | 13355 Verbena Dr. | 1/1 | \$402 |
| | 96 | 1 | | 2/1 | \$449 |
| | | | | 2/2 | \$499 |
| Miracle Heights | 46 | 6 | 13079 Eliseo Rd. | 2/2 | \$525 |
| ³ Quinto Del Sol | 42 | 5 | 13600 Don English Way | 2/1 | varies |
| Patio Apartments | 72 | 6 | 13405 Ocotillo Dr. | 2/2 | \$475 |

Source: The Eaton Group, Market Feasibility Analysis-Desert Hot Springs, July 1991.

1. 40 income restricted units.

2. All units income-restricted; 187 units restricted to households earning 60% or less of the County median; 29 units restricted to those making less than 50% of the County median.

3. Administered by Riverside County Housing Authority; rent established at 30% of gross monthly income.

The rental rates range from a low of \$298 per month for a one-bedroom/one-bath unit to a high of \$535 for a two-bedroom/one-bath unit. In comparing the overpayment limits to the rental rates in Desert Hot Springs, there are rental units available which are below the overpayment limits. Vacancy rates for these complexes generally range between 10% to 20%, although one complex, Hacienda Heights, had no vacancies at the time of this survey. There are a number of smaller complexes in Desert Hot Springs. Table 29, below, describes the characteristics of a representative sampling of these smaller complexes.

Table 29
Desert Hot Springs Rental Rates
(Less than 35 Units per Complex)
July 1991

| Complex | Units | Age (years) | Address | Bed/ Bath | Rate |
|----------------|-------|----------------|-------------------------|--------------|-------|
| Pierson Apts. | 20 | 5 | 66880 Pierson. | 1/1 | \$425 |
| | | | | 2/2 | \$550 |
| Arnis-Rodgers | 8 | 3 | 58200 Calle Las Tiendas | 2/2 | \$495 |
| | | | | 2/2 | \$550 |
| Clearview | 15 | 4 | 13620 Quinta | 1/1 | \$425 |
| Casablanca | 4 | 30 | 56310 7th St. | 2/1 | \$425 |
| | | | | Bach. | \$375 |
| (No name) | 6 | 35 | 66435 Desert View | Bach. | \$310 |
| | | | | 1/1 | \$375 |
| Casa Azteca | 11 | 15 | 68061 Calle Azteca | Bach. | \$395 |
| | | | | 1/1 | \$475 |
| | | | | 2/1 | \$599 |
| Baba/Dedo Apts | 3 | 26 | 68510 Hacienda | 1/1 | \$400 |
| (No name) | 5 | 5 | 11771 Upland | Bach. | \$260 |
| | | | | 1/1 | \$395 |
| | | | | 2/2 | \$499 |
| (No name) | 10 | 33 | 66396 2nd St. | Bach. | \$325 |
| | | | | 1/1 | \$365 |
| | | | | 2/1 | \$400 |
| (No name) | 10 | 22 | 66126 1st St. | Bach. | \$325 |
| | | | | 2/1 | \$390 |
| | | | | 2/1 | \$420 |
| (No name) | 8 | 3 | 13100 Ocotillo Rd. | 1/1 | \$375 |
| | | | | 2/2 | \$450 |
| (No name) | 5 | | 66399 5th St. | 1/1 | \$350 |

Source: The Eaton Group, Market Feasibility Analysis-Desert Hot Springs, July 1991.

As shown, the rental rates range from a low of \$260 per month for a bachelor apartment to a high of \$550 for a two-bedroom/two-bath unit. Again, this shows a wide range of rental rates which begin at well below the "very low" income overpayment limit for a household with one person. Additionally, 1990 Census data shows that of the 2,538 renter-occupied housing

units, 1,543 (approximately 60%) were paying between \$250 and \$499. There were 301 households paying less than \$250, 594 households paying between \$500 and \$749 and 19 households paying \$750 per month or more. Therefore, since the majority of households are paying less than \$500 per month and it has been shown that there are a number of affordable market-rate multi-family units available in Desert Hot Springs, the RHNA estimate of 1,014 households currently overpaying for shelter is likely to be higher than is actually the case.

In addition to the apartment complexes listed above, there are also a number of mobile home parks within the City and the proposed Annexation #21 area which can be considered affordable. Prices for previously owned mobile homes range in price from approximately \$5,000 to over \$60,000 for larger models. Rent for mobile home spaces in the Desert Hot Springs area ranges from \$50 to \$305 per month. The following table illustrates the number of occupied and vacant lots, the monthly space rental amount, and whether the park is restricted to seniors only.

Table 30
Mobile Home Park Characteristics
Desert Hot Springs

| Mobile Home Park | Occupied Lots | Vacant Lots | Rent/ Month | Seniors Only |
|---------------------------------|------------------|----------------|----------------|-----------------|
| Hogans Trailer Park | 6 | 0 | \$160 | YES |
| Mountain View | 100 | 22 | \$260 | NO |
| Desert Hot Springs Trailer Park | 61 | 19 | | |
| Desert Willows | 53 | 95 | | |
| Sky's Haven | 187 | 4 | \$305 | YES |
| Quail Hollow | 91 | 148 | \$50* | YES |

Annexation 21

| | | | | |
|---------------------------|-----|-----|-------|-----|
| Country Squire | 47 | 3 | \$220 | YES |
| Magic Waters | 58 | 8 | \$220 | YES |
| Palm Drive Mobile Estates | 54 | 23 | \$237 | NO |
| The Sands RV Country Club | 418 | 102 | \$242 | YES |
| Palm Drive Trailer Park | 50 | 8 | \$250 | YES |

*For first year, then increases to a maximum of \$400

It is clear from the table above that the majority of the City's mobile home parks are both senior housing opportunities, and affordable housing projects. The continued viability of these parks, and the preservation of affordable housing for seniors, are mutually beneficial goals for the City to pursue.

8.4 Future Housing Needs

As discussed previously in Section 4.6, the Regional Housing Needs Assessment (RHNA) prepared by the Southern California Association of Governments defines "existing need" as lower income households which are paying more than 30% of household income for shelter. This was estimated to be 1,014 of the total lower income households. However, it was also shown in Section 4.6 that the majority of rental occupied households were paying less than \$500 per month for rent and therefore, the RHNA number is likely higher than the actual number of low income households overpaying for shelter.

SCAG has determined future needs by adding its projected growth to the number of units necessary to meet vacancy goals and to compensate for anticipated demolitions. The Future Needs Allocations are then distributed by four income categories: "very low" (less than 50% of the County median income), "low" (50-80%), "moderate" (80-120%), and "high" (120% or more of median County income). SCAG is currently in the process of updating the Future Needs Allocations. However, the most recent completed projection is for the 5 year period from July 1, 1989 to June 30, 1994. Table 31 below shows the allocation of Future Needs for the City of Desert Hot Springs during this time period.

Table 31
Future Housing Needs by Income Category
1989-1994

| Income Category | Number of Units |
|-----------------|-----------------|
| Very Low | 256 |
| Low | 363 |
| Moderate | 412 |
| High | 589 |
| Total | 1,622 |

Source: Regional Housing Needs Assessment for Southern California, SCAG, June 1988.

The total estimated lower income household need for shelter is 619 dwelling for the period between July 1989 and June 1994. Approximately 366 multi-family rental units have been constructed since July 1989. Of these units, 216 are restricted to low and very low income households, while the remainder are generally under \$500 per month (four units are \$550 per month). Therefore, since the majority of new "market rate" multi-family units fall

below the overpayment limits for the "low" income category, an additional 146 units can be applied to the attainment of future lower income housing needs. A total of 362 units or 58% of the City's future housing needs have been constructed to date.

There have been a total of 908 building permits issued for residential development since 1989. As shown above, 362 of these were for affordable housing to the very low and low income household. There have therefore been 546 units constructed in the moderate and high income ranges, meeting 54% of the demand for such housing in the City.

This five year need has been projected to be primarily the result of future household growth (1,564 households) rather than the result of vacancy adjustment (52 units) or demolition adjustment (7 units). Table 32 shows the objectives for the number of housing units that can be constructed, rehabilitated and and conserved by income category.

Table 32
Quantified Objectives Matrix

| Income Category | New Construction | Rehabilitation | Conservation |
|------------------------|-------------------------|-----------------------|---------------------|
| Very Low | 107 | 10 | 6 |
| Low | 150 | 15 | 6 |
| Moderate | 187 | 5 | 0 |
| High | 268 | 0 | 0 |
| Total | 712 | 30 | 12 |

8.5 Rehabilitation Needs

The housing survey conducted by Terra Nova staff in December 1992 and January 1993 (discussed previously in Section 4.3), included an assessment of housing stock conditions. This survey revealed that approximately 255 single-family units were judged to be in "poor" condition (major aesthetic and considerable structural maintenance necessary) while 45 units were judged to be in "unacceptable" condition (considerable dilapidation, health and safety a concern).

There are a number of programs available to assist homeowners and those who own rental units. These programs include the Senior Home Repair Grant Program which provides money for upgrading owner-occupied units in the City where the necessary repairs are minor, up to \$1,500, or in the case of code violations or hazardous conditions, up to \$3,500; the Deferred/low interest Loan Program, which provides loans in the amount of \$3,500 to be used for minor repairs or major home improvements including room additions if the

borrower can show evidence of overcrowding; and Rental Rehabilitation which is administered by the Riverside County Housing Authority and provides low interest loans to the owner of rental housing units which are in low income neighborhoods. Loan amounts range from a minimum of \$600 per unit average to a maximum of \$8,500 per 3 or more bedroom unit. These programs are also discussed in Section 6.

9.0 ENERGY CONSERVATION

The hot summer climate in Desert Hot Springs and the rest of the Coachella Valley results in a high demand for energy, making conservation measures an important issue. Various energy conservation methods are required by Title 24 of the California Administrative Code as well as the Uniform Building and Electrical Codes. In addition, Southern California Edison can provide assistance for energy efficient design in new development and also gives rebates as an incentive for upgrading to more energy efficient appliances and air conditioners.

Any energy conservation measures required in addition to Title 24 (such as solar energy) should be evaluated as to their relative reduction in monthly utility bills since such measures can greatly add to the cost of new construction.

Efficient land use planning can also help to reduce energy consumption by locating new residential projects in close proximity to employment and commercial centers. Incorporation of mass transit stops and other measures to encourage alternate forms of transportation (i.e. bicycle lanes, locker and shower facilities in commercial projects) can also conserve energy and improve air quality.

10.0 GOALS, POLICIES, PROGRAMS AND OBJECTIVES

- Goal 1: Ensure that a variety of housing types including larger multifamily units, are constructed and rehabilitated throughout the City in all price ranges.
- Policy 1A: The City shall facilitate the construction of renter and owner occupied housing by providing a range of land use and zoning categories throughout the City.
- Program 1A.1: Specific Plans shall incorporate a variety of housing types, and shall provide for senior and affordable housing within the project.
Responsible Department: Planning
Schedule: Continuous, as Specific Plans are submitted
- Program 1A.2: The City shall encourage infill development wherever possible, to lower the costs of extending infrastructure.
Responsible Department: Planning
Schedule: Continuous
- Policy 1B: The City shall encourage the preservation of its existing housing stock.
- Program 1B.1: The Redevelopment Agency shall use Housing set-aside funds for the Home Improvement Program allowing grants and loan assistance programs for qualifying low income households in order to encourage the rehabilitation of existing housing units (Quantified Objective #2).
Responsible Department: Redevelopment Agency, Planning
Schedule: To be determined each fiscal year, based on budgetary constraints and opportunities.
- Program 1B.2: The City shall ensure that development which will displace residents through destruction of housing units shall be required to assist in the relocation of these residents, through the use of Conditions of Approval or other binding means.
Responsible Department: Planning
Schedule: Continuous
- Policy 1C: The City shall encourage the development of larger unit sizes in multifamily rental projects and second units on single family lots in order to alleviate overcrowding.

- Program 1C.1:** The City shall encourage multi-family rental and owner-occupied projects which construct three and four bedroom units as a substantial portion of the overall development.
Responsible Department: Planning
Schedule: Continuous
- Program 1C.2:** The City shall encourage development of second units on single family lots by providing information packets at City Hall on second unit construction and the conditions set forth in Government Code Section 65852.1, which allows second unit development.
Responsible Department: Planning
Schedule: Continuous
- Goal 2:** The development of affordable housing projects for very low, low and moderate income households to meet the community's need.
- Policy 2A:** The City shall provide a variety of programs to encourage the development of very low, low and moderate income housing.
- Program 2A.1:** For developments which will restrict their units to very low, or low income households, the City shall allow a density bonus of 25% over the underlying zoning designation.
Responsible Department: Planning
Schedule: Continuous
- Program 2A.2:** The City Redevelopment Agency shall expeditiously calculate and allocate Housing set-aside funds to affordable housing programs on an annual basis.
Responsible Department: Redevelopment Agency
Schedule: Annual
- Program 2A.3:** A Mortgage Assistance Program for qualifying households shall be established and funded with Housing set-aside funds (Quantified Objective #1).
Responsible Department: Redevelopment Agency
Schedule: Fiscal 1993-94
- Program 2A.4:** The City shall establish and maintain a regular contact with the Riverside County Housing Authority to ensure that housing assistance programs within the City are actively pursued.
Responsible Department: Planning
Schedule: 1993
- Program 2A.5:** The City shall actively assist qualified developers in preparation of applications for State and Federal housing grants and loans as they become available and in finding appropriate land suitable for this type of development.
Responsible Department: Planning, Redevelopment Agency, City Manager's Office
Schedule: Continuous

- Program 2A.6: The City shall prepare handout materials for developers and low income households which detail the programs available to both parties for assistance in the development and rehabilitation of low income housing.
Responsible Department: Planning, City Manager's Office
Schedule: Fiscal 1993-94
- Program 2A.7: The City shall work with Angel View Hospital and other private organizations in assisting whenever possible in the mainstreaming of residents into the community.
Responsible Department: City Manager's Office
Schedule: Continuous
- Program 2A.8 The City of Desert Hot Springs will continue to support and assist in enforcing, as required, the provisions of the Federal Fair Housing Act. All complaints regarding discrimination in housing will be referred to the Riverside County Housing Authority. The City will promote fair housing by providing brochures and posting information at City Hall.
Responsible Department: Planning
Schedule: Continuous
- Program 2A.9 The City of Desert Hot Springs shall consider engaging in a Cooperation Agreement with the Riverside County Housing Authority, in order to participate in the Hope III Program to provide additional affordable housing on land owned by the Housing Authority in the City.
Responsible Department: Planning
Schedule: 1993
- Program 2A.10 The City of Desert Hot Springs shall consider the use of Community Development Block Grant Funds to assist in the subsidy of handicapped households (Quantified Objective #5).
Responsible Department: Planning
Schedule: 1993
- Goal 3: Provide additional affordable senior housing projects, and protect existing senior housing projects from conversion to other uses.
- Policy 3A: The City shall facilitate the development and preservation of senior housing through incentives and assistance programs.
- Program 3A.1: The Redevelopment Agency shall re-establish a program of grants and loans to senior residents in Redevelopment Areas 1 and 2 to encourage maintenance and rehabilitation of existing housing units (Quantified Objective #6).
Responsible Department: Redevelopment Agency
Schedule: Fiscal 1993-94
- Program 3A.2: The City will provide assistance to developers of senior housing through Housing set-aside funds whenever possible (Quantified Objective #7).
Responsible Department: Redevelopment Agency
Schedule: Continuous

- Program 3A.3: The City will ensure the preservation of existing mobile home units, particularly since they are often senior-oriented housing, by requiring developers to relocate displaced residents if a park is to be converted to another use. Existing mobile home parks in the proposed annexation areas will not be required to upgrade to current City of Desert Hot Springs zoning standards. New units within existing parks shall continue to be subject to original development standards.
Responsible Department: Planning, Building and Safety
Schedule: Continuous
- Program 3A.4: For developments which will restrict their units to senior households, the City shall allow a density bonus of 25% over the underlying zoning designation.
Responsible Department: Planning
Schedule: Continuous
- Program 3A.5: The City shall work with private organizations such as Desert Hot Springs Apartments, Inc. in obtaining financing for project expansion.
Responsible Department: City Manager's Office, Redevelopment Agency
Schedule: 1993-94
- Goal 4: The City shall preserve its character and home town atmosphere.
- Policy 4A: The City shall encourage the preservation of the home town atmosphere through design standards, pedestrian and public transit access.
- Program 4A.1: The City shall require Specific Plan projects to develop design guidelines which provide for buffers between land uses, small scale development, and appropriate architecture.
Responsible Department: Planning
Schedule: Continuous
- Program 4A.2: Residential projects shall be required to provide bicycle and pedestrian facilities, including trails, sidewalks, benches and open space areas wherever appropriate.
Responsible Department: Planning
Schedule: Continuous
- Policy 4B: High density, affordable and senior projects shall be located with convenient access to shopping and public transit.
- Program 4B.1: The City shall require developers of affordable and senior housing projects to confer with the SunLine Transit Agency regarding the provision of service to the project area wherever feasible.
Responsible Department: Planning
Schedule: Continuous

Quantified Objectives

1. The Mortgage Assistance Program will assist up to 10 very low, low or moderate income households annually through grants for down-payments and closing costs. The available 1992-1993 RDA low income housing fund is \$92,888 for RDA Project Area #1, and \$1,804 for RDA Project Area #2.
2. The Redevelopment Agency shall participate in 10 Home Improvement grants of up to \$2,500 each from housing set-aside funds annually to assist very low and low income homeowners in improvement of their property.
3. The City will work with privately funded housing programs such as Habitat for Humanity and the Coachella Valley Housing Coalition to encourage the construction of 3 ownership units annually.
4. The City will continue to work with the owners of the Country Hills Apartments to protect the 40 units currently restricted to low income households from reverting to market housing.
5. The City will consider the use of Community Development Block Grant funds to assist in the subsidy of 3 handicapped households for fiscal year 1994-1995.
6. The Redevelopment Agency shall re-establish a program of grants and loans to senior residents in RDA Project Areas 1 and 2 for up to 10 households annually in the amount of \$25,000 for each RDA area.
7. The City will provide assistance to developers of senior housing through housing set-aside funds whenever possible (up to 5 senior households annually).

11.0 PUBLIC PARTICIPATION

In order to encourage input from all segments of the community in updating the Housing Element, a public workshop was held in conjunction with the City Council and Planning Commission on January 28, 1993. The workshop was advertised in the Desert Sentinel newspaper and posted at City Hall. In addition, a staff writer for the Desert Sentinel was contacted and a brief article was written about the workshop.

The workshop presented data on the City's existing demographic and housing conditions as well as the purpose and goals of the Housing Element. An informational packet and questionnaire were distributed and comments received on a variety of issues. These comments were addressed and incorporated into this document wherever possible.

Notice of a joint City Council/Planning Commission hearing for the adoption of the Housing Element amendment on March 16, 1993 was advertised in the Desert Sentinel and it was made known that all materials relating to the Housing Element amendment are available at the City Planning Department.

In addition, Ms. Florence De Geus, a representative for Desert Hot Springs Housing Incorporated was contacted for her input to the Housing Element amendment. She indicated that her firm owns a 2.5 acre parcel adjacent to the Highland Homes apartment project which they would like to develop with an additional 35 affordable units for seniors and physically handicapped individuals through an additional FmHA loan and/or Redevelopment Agency funds.

THE PUBLIC-PRIVATE

In order to encourage people from all segments of the community to participate in the planning process, a public workshop was held in conjunction with the 1992 Census and Planning Conference in January 22, 1992. The workshop was attended by the County Board, community and public officials, and a staff member from the County Board. The workshop was held at the County Board's offices and was held in the morning.

The workshop presented data on the County's demographic and economic conditions as well as the goals of the County Board. The information was presented in a way that was easy to understand and was designed to help the community understand the County's current situation and to help them make decisions about the future.

There was a lot of discussion about the County's future and the role of the County Board. The County Board members were very interested in the information presented and were very active in the discussion. The workshop was a success and was a good example of how the County Board can involve the community in the planning process.

In addition, the County Board has a number of other ways to involve the community in the planning process. The County Board has a website where the community can find information about the County's current situation and can provide input to the County Board. The County Board also has a number of public meetings where the community can provide input to the County Board. The County Board is committed to involving the community in the planning process and to making decisions that are in the best interests of the County.